

**MINUTES  
REGULAR MEETING  
UTILITY SERVICE BOARD  
OCTOBER 18, 2010**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, October 18, 2010.

The meeting was called to order by Chairman Wayne Schuetter.

**UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:**

Wayne Schuetter – Chairman  
Rick Stradtner – Vice Chairman  
Mike Harder – Secretary  
Doug Schulte – Water Commissioner  
Alex Emmons – Wastewater Commissioner  
Greg A. Krodel – Gas Commissioner  
Ken Sendelweck – Electric Commissioner

**ALSO PRESENT:**

Jerry Schitter – Electric Distribution Manager  
Michael A. Oeding – Gas & Water Manager  
Ed Hollinden – Wastewater Manager  
Bud Hauersperger – General Manager  
Sandy Hemmerlein – City Attorney

**ABSENT:**

Windell Toby – Electric Generation Manager

**PLEDGE OF ALLEGIANCE** (DVD-00:42)

Chairman Wayne Schuetter led the Pledge of Allegiance.

**APPROVAL OF MINUTES** (DVD-01:02)

Chairman Wayne Schuetter presented the minutes of the September 20, 2010, Regular Meeting and there being no corrections or amendments, asked for a motion to approve. Ken Sendelweck made a motion to approve the minutes of the September meeting as presented. Rick Stradtner seconded the motion. Motion approved, 7-0.

Chairman Schuetter then presented the Memorandum for the Joint Executive Session held on September 23, 2010, and there being no corrections or amendments, asked for a motion to approve. Doug Schulte made a motion to approve the Memorandum as presented. Mike Harder seconded the motion. Motion approved, 7-0.

Chairman Wayne Schuetter then presented the minutes of the October 11, 2010, Special Meeting and there being no corrections or amendments, asked for a motion to approve. Greg Krodel made a motion to approve the minutes of the October 11<sup>th</sup> Special meeting as presented. Rick Stradtner seconded the motion. Motion approved, 7-0.

### **RESULTS OF CHIPPER QUOTE OPENING** (DVD-02:47)

Jerry Schitter informed the Board that the low quote from Southeastern Equipment Company for \$29,792.10 did meet the specifications and he would like to get approval to order the brush chipper.

Ken Sendelweck made a motion to approve the ordering of the chipper from Southeastern Equipment Company for \$29,792.10. Alex Emmons seconded the motion. Motion approved, 7-0.

### **POLE ATTACHMENT AGREEMENT** (DVD-04:11)

Schitter said he received a letter from Kentucky Data Link (KDL) regarding their existing Pole Attachment Agreement with the City. They informed Schitter that they will be transferring ownership of their company to Windstream Corporation and would like approval to transfer their Pole Attachment Agreement to Windstream.

Sandy Hemmerlein said the companies with which we have pole attachment agreements are required to inform us of any transfer of ownership that may occur. This gives the City a paper trail to follow regarding these agreements. Hemmerlein recommended approving the transfer of the agreement so no new contract would need to be created. The letter would be sufficient documentation and would be attached to the original agreement.

Mike Harder made a motion to transfer the Pole Attachment Agreement from Kentucky Data Link to Windstream Corporation, with no changes to the original agreement. Greg Krodel seconded the motion. Motion approved, 7-0.

### **POWER PLANT** (DVD-08:22)

Chairman Schuetter reminded everyone that at last Monday night's Public Hearing the Board decided to table making a recommendation to the Mayor to proceed with the disposal process for the Power Plant. Disposal means sale, lease, exchange or transfer of the property in this case. Even if the Board decides to make the recommendation, it does not mean that the City is bound to disposing of the plant in one of these four ways. There will be no final decision until a formal agreement is signed.

Schuetter said not making the recommendation to continue with the disposal process limits the possibilities for the plant. At this point, Schuetter does not feel it is prudent to eliminate any possibilities. He feels that the Board has an obligation to the ratepayers and citizens of Jasper to be complete and thorough in looking at all the options before making a definite decision. A recommendation would only ensure that all steps were followed in the State Statutes should the Board decide to dispose of the plant.

Greg Krodel asked Sandy Hemmerlein what a recommendation like this actually means. Hemmerlein explained that it is just a legal formality required in the disposal of a public utility, in case the City does decide to sell or dispose of the property and will not retain ownership of the property. It does not mean the City is tied to disposing of the property. Even if they issue the recommendation to the Mayor, they could still decide later to demolish the plant. She said it is the plan to hold another public hearing in the future, once the Board and Council have a more specific idea in mind for the utilization of the property. She said every option will still be up for discussion, but we need to make sure we don't miss any steps in the legality of deciding what to do with the plant and property.

Much discussion followed. Krodel said that if the recommendation is made, he feels like this is a handoff to the Mayor that this is how the Board decided the City needs to proceed. Hemmerlein stated that this is not the case. The recommendation only allows the disposal process to proceed and the researching and information gathering to continue. Both the Board and Council will continue to be involved in the decision making process. As the process continues and more decisions or options are looked at or decided on, the Board will continue to make recommendations to the Mayor and/or Council.

Schuetter said if the Board decides to give the recommendation to the Mayor to proceed with the disposal process, the next step would be to hold another joint public meeting between the Utility Service Board and Common Council to discuss the four possible disposal methods and see which one both Boards felt comfortable moving towards. Once the Boards determine a means for disposal and have an idea of what type of things they would like to see for the Power Plant property, they would need to verify if any firms could meet the proposed specifications.

The Boards would continue to narrow it down to a possible firm or organization that could meet the specifications and recommend to the Mayor pursuing an agreement with that firm or organization. Schuetter said the City could get more specific when it came time to draft an agreement. If the chosen firm could not meet the terms of the agreement, the City could still back out and decide to demolish the plant if an agreement could not be reached.

Doug Schulte asked what the expectations are for the next public hearing. It was explained that the next public hearing, in which the public would be able to make comments, would not occur until the City decides which specific option they would like to pursue, and to give the public more details on what this specific organization's ideas are for the power plant.

Alex Emmons again clarified that at any point along the way that the Board is unhappy with the way things are going or not agreeable to what firms may be proposing, they have the option of stopping the disposal process and recommending to the Mayor that the plant be demolished or dismantled.

Greg Krodel said he feels that we need to keep this process moving and he agreed to make the motion recommending to the Mayor that we proceed with the disposal process for the Power Plant property. Ken Sendelweck seconded the motion. Motion approved, 7-0.

Sandy Hemmerlein asked the Board how they want to handle the next steps, if the Mayor decides to proceed with the disposal process. Chairman Schuetter proposed having a joint public meeting with the Common Council on Monday, October 25<sup>th</sup> at 5:00 PM or later. The Board agreed to this and decided to let the Council set the time of the meeting.

Rick Stradtner then commended Sandy Hemmerlein, Bud Hauersperger, the Mayor and Chairman Schuetter for all of the hard work and research that has gone into this issue.

Chairman Schuetter asked that all involved with this issue remain open minded and respectfully critical about all of the objective and factual information that will be or has been presented. He does not want the high emotions to get the decision making off track and to keep the City from making a positive decision on the Power Plant.

#### **ELECTRIC PLANNING COMMITTEE REPORT** (DVD-36:06)

Ken Sendelweck, Chairman of the Electric Planning Committee, stated the committee did not meet during the past month.

#### **WATER PUMPED IN SEPT. 2009 VERSUS SEPT. 2010** (DVD-36:21)

Mike Oeding stated that in September 2009 the Water Department pumped approximately 53,131,000 gallons of water and in September 2010 they pumped 72,962,000 gallons. That is an increase of 37%. The big difference relates to the very dry summer that we have had this year.

#### **SERVICE TRUCKS RECEIVED** (DVD-37:17)

Oeding said the two service trucks were ordered and received and put into use the first of October.

#### **WINNER OF GAS SURVEY DRAWING & SURVEY RESULTS** (DVD-37:26)

Oeding said the Indiana Pipeline Awareness Association Gas Survey has been completed and he congratulated Chris Klem, 4008 Timberpoint Court, on being the winner of the drawing for \$100 of free utilities for completing the survey.

Oeding said they received over 2,500 completed surveys, out of 7,000 sent, which is over a 35% response rate.

#### **WATER SHORTAGE WARNING ISSUED BY IDNR & INDIANA HOMELAND SECURITY** (DVD-38:18)

Oeding said last week he received a notice from the Indiana Homeland Security and IDNR about water shortages. The notice stated that if a water shortage ordinance had not been developed yet, it needs to be done now because it could be needed. Oeding reminded the Board that the City had completed this last year.

Oeding said he also spoke with Homeland Security today and they said that the City is in good shape with regards to water levels at this time.

#### **CORRPRO ANNUAL SERVICE AGREEMENT** (DVD-39:16)

Mike Oeding said it is time to sign the annual service agreement with Corrpro for checking the cathodic protection on the water tanks. He said this keeps the tanks from rusting on the inside.

Sandy Hemmerlein has reviewed the contract. This is the same contract as the past years, but the price has increased from \$600 to \$630 per tank or \$1,890 for all three tanks. He would also like to change the aviation lights for an additional \$250 or \$125 per tank. The Newton tank does not have aviation lights.

Doug Schulte made a motion approving the annual service agreement with Corpro for a total of \$2,140. Rick Stradtner seconded the motion. Motion approved, 7-0.

#### **COMPUTER EQUIPMENT TO SCRAP** (DVD-41:28)

Oeding said he has one computer that crashed and two printers that are no longer used that he would like to scrap. The computer does not work and the printers would not be worth anything at an auction. He said he also has a Dell monitor that he would like to remove from the asset listing and hold to sell at the next City Auction.

Mike Harder made a motion to scrap the computer and two printers. Greg Krodel seconded the motion. Motion approved, 7-0. Ken Sendelweck made a motion to remove the Dell monitor from the asset listing and hold it to sell at the next City auction. Mike Harder seconded the motion. Motion approved, 7-0.

#### **CHEMICAL QUOTES FOR 2011** (DVD-44:38)

Oeding said he will be sending out letters next week to request chemical quotes for 2011. The quote opening will be held at next month's meeting.

#### **GAS PLANNING COMMITTEE REPORT** (DVD-44:55)

Greg Krodel, Chairman of the Gas Planning Committee, stated the committee did not meet during the past month.

#### **WATER PLANNING COMMITTEE REPORT** (DVD-45:01)

Doug Schulte, Chairman of the Water Planning Committee, stated the committee met on October 15<sup>th</sup> to discuss the two proposals received for the sludge disposal study. Current permitting is set to expire at the end of the year. The Water Department is looking for a long term solution for the sludge disposal.

Proposals were received from August Mack and Commonwealth Engineers. After reviewing both proposals and their cost differences, the Committee decided to recommend proceeding with the proposal from August Mack for an amount not to exceed \$23,500.

Hemmerlein said she amended the proposed contract in regards to the possible extension of the current permit for the Hochgesang site. She added that the engineer will also prepare an application for the renewal of the City's existing disposal permit as a temporary measure as a part of the scope of the work outlined, if requested by the City.

Greg Krodel made a motion to approve the proposal from August Mack for the sludge disposal study for an amount not to exceed \$23,500. Alex Emmons seconded the motion. Motion approved, 7-0.

### **RESULTS OF DUMP TRUCK QUOTE OPENING** (DVD-48:51)

Ed Hollinden said the low quote from Uebelhor and Sons for \$24,693 met the specifications and he would like permission to get the dump truck ordered.

Alex Emmons made a motion to approve the quote from Uebelhor and Sons for \$24,693. Rick Stradtner seconded the motion. Motion approved, 7-0.

### **RESULTS OF RELINING PROJECT BID OPENING** (DVD-49:25)

Hollinden said the low bid from Insituform Technologies for the relining project did meet the specifications and he would like to get approval to proceed with this project. City Engineer, Chad Hurm also reviewed the bid.

Mike Harder made a motion to approve the bid from Insituform Technologies for \$88,855. Ken Sendelweck seconded the motion. Hollinden said once the notice to proceed is given, they will have 45 days to reach substantial completion. Motion approved, 7-0.

### **RESOLUTION APPROVING APPLICATION FOR COMMUNITY FOCUS FUNDS GRANT** (DVD-50:48)

Hollinden then presented Resolution #USB 2010-16, to recommend the submittal of the Community Focus Funds application to OCRA. The City was denied the DR2 grant that it originally applied for. The City would be applying for \$600,000 through this grant, with a City fund match of \$186,365.

Rick Stradtner made a motion to approve Resolution #USB 2010-16, recommending the Common Council approve the application for the Community Focus Funds grant through OCRA. Doug Schulte seconded the motion. Hollinden reminded the Board members that a public hearing will be held at 6:30 PM on Wednesday, October 20<sup>th</sup>, relating to this grant and asked all to attend if possible. Motion approved, 7-0.

### **WASTEWATER PLANNING COMMITTEE REPORT** (DVD-54:48)

Alex Emmons, Chairman of the Wastewater Committee, stated the committee met on October 11<sup>th</sup> to discuss needed sewer repairs on Justin Street and the summer sewer break calculation.

The Committee talked about the infiltration issues in the Holy Family area. This area is contributing to the flooding of the Hochgesang lift station during substantial rains. The repairs that were done last year and early this year on Terrace Avenue have worked well and Hollinden would like to continue the project in the area where the lines have been relined.

Hollinden would like to focus on an area between Hopf Avenue and Terrace Avenue on Justin Street. There are 5 homes in this area and it is known that 2 of the 5 would fail a sewer inspection because of direct or indirect flow coming from downspouts. Hollinden wants to have all five homes' lateral lines inspected. He would like to saddle the lateral on all 5 homes, even if they pass the inspection, from the curb to the main. After the inspections are done, they will be able to determine if they will be able to push a 4" line through a 6" line or if they will have to cut the street and replace with a 6" line from the curb to the main.

The customers will again be able to hire the plumber of their choice to replace what is bad from the house to the main and the City will reimburse the plumber the cost from the curb to the main. Hollinden feels the estimates obtained last year are still adequate, in which the City would reimburse \$2,500 to push a line or \$4,000 to replace a 6" line from the curb to the main. The most to be paid on this area would be 5 homes x \$4,000 or \$20,000.

The Committee recommends allowing Hollinden to continue the project with these 5 homes and to contact each homeowner individually to explain the project and schedule an inspection.

The summer sewer break calculation was also discussed. Hollinden informed the Committee that with the new billing software being installed in the Business Office he would like to simplify the calculation for the summer sewer break given to customers. Currently the system is calculating a pro-rated winter daily average and a pro-rated summer daily average based on the number of days in the billing periods. The difference between the two is applied against the rates and entered as a negative entry as the summer sewer break. This is a very complex calculation and is difficult to explain to customers.

Hollinden introduced a simpler approach of calculating a winter average from the usage for the months of December, January and February. If the customer's summer usage is 10% greater than the winter average, they will receive a summer sewer break on the difference.

The Committee recommends the Utility Service Board simplify the summer sewer break calculation by calculating a winter average from the usage for the months of December, January, and February, which would be on the bills due in January, February, and March. If the customer's summer usage is 10% greater than their average winter usage, they will receive a summer sewer break on the difference for the usage months of June through September, which would be on the bills due in July through October.

Greg Krodel made a motion to allow Hollinden to proceed with the sewer repairs on Justin Street, with the same guidelines used in the Terrace Avenue project. Ken Sendelweck seconded the motion. Motion approved, 7-0.

Sandy Hemmerlein then presented Resolution #USB 2010-17, recommending the above mentioned changes to the summer sewer discount to the Common Council. Bud Hauersperger said this approach is standard for the industry. The new software company was having difficulties with the current calculation and it would have involved additional programming fees.

Doug Schulte made a motion approving Resolution #USB 2010-17. Rick Stradtner seconded the motion. Motion approved, 7-0.

### **IDENTITY THEFT PREVENTION PROGRAM REPORT** (DVD-01:08:02)

Bud Hauersperger presented the yearly report on the Identity Theft Prevention Program. This program requires a public report be given once a year. Hauersperger reported that there were no issues of identity theft reported in the past year in regards to the Utilities' accounts. No changes to the program are required at this time.

Alex Emmons made a motion accepting the yearly report on the Identity Theft Prevention Program. Mike Harder seconded the motion. Motion approved, 7-0.

### **BEAVER LAKE DAM PROJECT UPDATE** (DVD-01:09:20)

Hauersperger reported that the City has received the 95% review set construction drawings and specifications on the Beaver Lake Dam project from the engineers. They are currently in the process of reviewing it.

Hauersperger said the issue with regards to replacing a small section of wetlands has been adjusted. IDEM has changed their mind and now say that the City will now just need to plant trees along the road to the entrance of the dam to satisfy the requirement. The original cost estimate for engineering work to replace the wetland was \$15,000 to \$20,000. The cost will now be reduced to \$9,000.

Hemmerlein is working on developing the contract with Christopher Burke, but they are not able to be signed at this time because of the grant procedures. Hemmerlein asked that a motion be made approving the updated figures and rescinding the motion that was made on August 16, 2010, approving the original figures.

Ken Sendelweck made a motion approving the updated amount of not to exceed an additional \$9,000 to Christopher Burke for the additional coordination and meeting with IDEM and Corps regarding the impacts and self mitigation plan and the additional geotechnical borings and rock corings for the labyrinth spillway, and to rescind the motion that was made on August 16, 2010 for an amount not to exceed \$20,000. Doug Schulte seconded the motion. Motion approved, 7-0.

### **GAS COST OF SERVICE STUDY UPDATE** (DVD-01:12:31)

Hauersperger said he also met with Kerry Heid, who is performing the gas cost of service study. He said they had discussions about moving from the current tiered rate schedule to a two part rate schedule, with one part being a fixed rate or customer fee to cover our fixed costs and the other being a variable rate or fee, relating to the cost of the gas.

Hauersperger said he feels this new structure would be fairer to the customers. He also said this new structure is the way the gas industry is moving towards for customer pricing.

Hauersperger said Heid should have the study completed in a few weeks and a Gas Committee will be scheduled to discuss and review his findings.

### **BUSINESS OFFICE SOFTWARE UPDATE** (DVD-01:13:49)

Hauersperger said the financial package is almost ready and the office will be cutting off of the existing system at the end of the day on Friday, and going live on the new system on Monday, October 25<sup>th</sup> with General Ledger, Accounts Payable, Payroll, Purchasing and Fixed Assets.

### **FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET** (DVD-01:14:23)

Mike Harder reported the Finance Committee had met and reviewed the claims on the Claim Docket.



The Finance Committee recommended approval of the claims as presented.

Rick Stradtner made a motion to approve the claims as presented. Doug Schulte seconded the motion. Motion approved, 7-0.

**GREEN SPACE AT THE OLD JASPER MIDDLE SCHOOL** (DVD-01:15:03)

The Mayor reported that there is a cooperative deal between the City, the Greater Jasper School Corporation, the Seger family and Phil Gramelspacher to turn the old middle school property into a green space.

The Mayor commended the Utility Department Heads for helping out and doing anything that is asked of them. He appreciates their help and wanted to let the Board know they were doing a good job.

The Mayor said the project is on the fast track and they are busy planting trees right now and this property will end up being a nice asset to the City.

There being no further business to come before the Board, the meeting was adjourned at 8:17 PM upon motion by Alex Emmons and second by Mike Harder. Motion approved, 7-0.

The minutes were hereby approved \_\_\_\_\_ with \_\_\_\_\_ without corrections this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

Attest: \_\_\_\_\_  
Secretary Chairman